

CHAPTER 419

MOTOR VEHICLES AND TRAFFIC REGULATION

SENATE BILL 21-069

BY SENATOR(S) Priola, Winter;
also REPRESENTATIVE(S) Valdez A. and Ortiz, Duran, Exum, Gray, Hooton, Lontine, Mullica.

AN ACT

CONCERNING LICENSE PLATES, AND, IN CONNECTION THEREWITH, SPECIFYING THAT THE LICENSE PLATES OF A MOTOR VEHICLE THAT IS CLASSIFIED AS CLASS C PERSONAL PROPERTY EXPIRE UPON THE SALE OR TRANSFER OF THE MOTOR VEHICLE, AUTHORIZING THE ISSUANCE OF LICENSE PLATES IN PREVIOUSLY RETIRED STYLES, AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Recent national studies have determined that 4% of vehicles on the road in the United States are not properly registered or the registration is expired. In Colorado it is estimated that as many as 4 out of every 10 cars on the road are not properly registered and licensed.

(b) Vehicles out of registration compliance also commonly lack insurance coverage and emissions testing documentation.

(c) Unregistered and improperly licensed vehicles contribute to significant state and local shortfalls in revenue for critical transportation and other needs.

(d) The financial impact of traffic congestion in the United States is calculated to be \$166 billion annually, reaching \$225 billion by 2025. Readable license plates may be needed to implement traffic congestion mitigation measures in the future.

(e) Law enforcement and public safety officials rely on plate readability and reflectivity to maintain safety on Colorado roads during critical operations, such as an Amber alert. Seventy percent of serious crimes involve a vehicle, and license plates are a low-cost and effective way for law enforcement to identify vehicles.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

License plates must be readable from a safe distance and readable from a vehicle in motion.

(f) License plates are often the only highly reflective element on vehicles, providing a critically important safety feature for stalled vehicles at night.

(g) Automated tolling systems on Colorado roads require legible, readable license plates to ensure accurate record keeping and to capture revenue from tollway users during the day and at night.

(h) The substantial increase in new residents from other states driving vehicles that are not registered in Colorado has contributed to the loss of critical revenue for transportation and other purposes.

(i) Despite substantial growth in the number of motor vehicles on Colorado's roads, Colorado has not implemented a periodic license plate replacement program in nearly 30 years.

(j) A phased-in license plate reissue program will provide for increased public safety and effectiveness of license plates while minimizing costs and maximizing convenience for drivers.

(k) On average, license plates lose 50% of their reflectivity within 5 to 10 years of use and the average age of motor vehicles in Colorado is 7 to 10 years.

(2) Therefore, the general assembly declares that it is in the best interest of the people of the state of Colorado to implement a phased-in license plate reissue program that will extinguish license plates upon the sale or transfer to a new owner and require motorists to get new license plates at no additional cost to them. Phasing in new license plates in this fashion will improve registration and license plate compliance, generate new and needed revenue for transportation and other purposes, improve vehicle insurance compliance rates, improve vehicle emission control compliance rates, enhance public safety and law enforcement, and improve tollway revenue capture rates.

SECTION 2. In Colorado Revised Statutes, 24-30-2208, **amend** (2)(b) as follows:

24-30-2208. Sale of registration numbers. (2) (b) Upon receiving the committee's request, the department of revenue shall verify whether the plates are currently issued. FOR PURPOSES OF THIS SUBSECTION (2)(b) AND SUBSECTION (2)(c) OF THIS SECTION, A PLATE THAT EXPIRES DUE TO THE OPERATION OF SECTION 42-3-115 (5)(a) IS CONSIDERED CURRENTLY ISSUED UNTIL THE RIGHT OF THE OWNER OF THE MOTOR VEHICLE TO WHICH THE EXPIRED PLATE WAS AFFIXED TO APPLY TO USE THE REGISTRATION NUMBER OF THE EXPIRED PLATE WHEN REGISTERING ANOTHER MOTOR VEHICLE EXPIRES. If the plate is not currently issued, the department shall reserve the registration number until the committee notifies the department to release the registration number.

SECTION 3. In Colorado Revised Statutes, 42-3-115, **add** (5) as follows:

42-3-115. Registration upon transfer. (5) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (5)(b) AND (5)(c) OF THIS SECTION, ON AND AFTER JANUARY 1, 2022, WHENEVER THE OWNER OF A MOTOR VEHICLE THAT IS CLASS C PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106 (2)(c), TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST, THE NUMBER PLATES ISSUED TO THE OWNER FOR THE VEHICLE EXPIRE AND SHALL NOT BE TRANSFERRED TO ANY OTHER MOTOR VEHICLE. AN OWNER OF A MOTOR VEHICLE WHOSE NUMBER PLATES EXPIRE DUE TO THE OPERATION OF THIS SUBSECTION (5)(a) WHO WISHES TO RETAIN THE SAME COMBINATION OF LETTERS OR NUMBERS DISPLAYED ON THE EXPIRED LICENSE PLATES RETAINS THE PRIORITY RIGHT TO USE THE COMBINATION AND MAY, AFTER SURRENDERING THE EXPIRED PLATES TO THE DEPARTMENT, APPLY FOR PERSONALIZED LICENSE PLATES WITH THE COMBINATION IN THE MANNER SPECIFIED IN SECTION 42-3-211 WHEN REGISTERING ANOTHER MOTOR VEHICLE.

(b) SUBSECTION (5)(a) OF THIS SECTION DOES NOT APPLY TO THE TRANSFER OR ASSIGNMENT OF AN OWNER'S TITLE OR INTEREST IN CLASS C PERSONAL PROPERTY THAT HAS NUMBER PLATES THAT ARE PERSONALIZED LICENSE PLATES ISSUED IN ACCORDANCE WITH SECTION 42-3-211 OR THAT HAVE A VALUABLE REGISTRATION NUMBER THAT HAS BEEN RESERVED FOR USE UNDER THE "LAURA HERSHEY DISABILITY SUPPORT ACT", PART 22 OF ARTICLE 30 OF TITLE 24.

(c) IN ACCORDANCE WITH SECTION 42-12-301 (6), SUBSECTION (5)(a) OF THIS SECTION DOES NOT APPLY TO THE TRANSFER OR ASSIGNMENT OF AN OWNER'S TITLE OR INTEREST IN CLASS C PERSONAL PROPERTY THAT IS A HORSELESS CARRIAGE.

SECTION 4. In Colorado Revised Statutes, **add** 42-3-206.5 as follows:

42-3-206.5. Issuance of plates in a retired style authorized - additional fee.

(1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE DEPARTMENT MAY ISSUE LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE THAT HAD WHITE LETTERS AND NUMBERS ON A BACKGROUND OF GREEN MOUNTAINS AND A WHITE SKY FOR PASSENGER CARS OR TRUCKS NOT OVER SIXTEEN THOUSAND POUNDS EMPTY WEIGHT.

(2) THE DEPARTMENT MAY ONLY ISSUE PLATES IN THE PREVIOUSLY RETIRED STYLE IF THE DEPARTMENT DETERMINES THAT DEMAND FOR THE STYLE, INCLUDING WILLINGNESS TO PAY AN ADDITIONAL FEE THAT FULLY DEFRAYS THE COSTS OF PRODUCING THE LICENSE PLATES IN THE STYLE, IS SUFFICIENTLY HIGH TO JUSTIFY PRODUCTION OF THE LICENSE PLATES.

(3) AN APPLICANT MAY APPLY FOR PERSONALIZED LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE IF THE DEPARTMENT OFFERS SUCH PLATES FOR PURCHASE. IF THE APPLICANT COMPLIES WITH SECTION 42-3-211, THE DEPARTMENT MAY ISSUE SUCH PLATES UPON PAYMENT OF THE ADDITIONAL FEE REQUIRED BY SECTION 42-3-211 (6) FOR PERSONALIZED LICENSE PLATES PLUS TWENTY-FIVE DOLLARS. THE TWENTY-FIVE DOLLARS PAID ON TOP OF THE ADDITIONAL FEE REQUIRED BY SECTION 42-3-211 (6) SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE TWENTY-FIVE DOLLARS TO THE DISABILITY SUPPORT FUND CREATED IN SECTION 24-30-2205.5. IF THE APPLICANT HAS EXISTING PERSONALIZED LICENSE PLATES FOR A MOTOR VEHICLE, THE APPLICANT MAY TRANSFER THE COMBINATION OF LETTERS OR NUMBERS TO A NEW SET OF LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE FOR THE VEHICLE UPON PAYING THE FEE

IMPOSED BY SECTION 42-3-211 (6)(a) AND UPON TURNING IN SUCH EXISTING PLATES TO THE DEPARTMENT AS REQUIRED BY THE DEPARTMENT. A PERSON WHO HAS OBTAINED PERSONALIZED LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE UNDER THIS SUBSECTION (3) SHALL PAY THE ANNUAL FEE IMPOSED BY SECTION 42-3-211 (6)(b) TO RENEW SUCH PLATES. THE FEES IMPOSED BY THIS SUBSECTION (3) ARE IN ADDITION TO ALL OTHER TAXES AND FEES IMPOSED FOR LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE.

(4) THE AMOUNT OF THE TAXES AND FEES FOR LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE IS THE SAME AS THE AMOUNT OF THE TAXES AND FEES SPECIFIED FOR REGULAR MOTOR VEHICLE PLATES PLUS AN ADDITIONAL ANNUAL FEE SET BY THE DEPARTMENT IN THE LESSER OF THE AMOUNT NECESSARY TO DEFRAY THE ACTUAL COSTS OF PRODUCING AND ISSUING THE PLATES PLUS TWENTY-FIVE DOLLARS OR SEVENTY-FIVE DOLLARS. THE ADDITIONAL FEE SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT IT TO THE LICENSE PLATE CASH FUND CREATED IN SECTION 42-3-301 (1)(b); EXCEPT THAT TWENTY-FIVE DOLLARS OF THE FEE SHALL BE CREDITED TO THE DISABILITY SUPPORT FUND CREATED IN SECTION 24-30-2205.5.

(5) ALL APPLICATIONS FOR LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE MUST BE MADE DIRECTLY TO THE DEPARTMENT.

(6) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY PREPARE ANY SPECIAL FORMS AND PROMULGATE ANY RULES NECESSARY TO IMPLEMENT THIS SECTION.

SECTION 5. In Colorado Revised Statutes, 42-3-301, **amend** (2)(a) as follows:

42-3-301. License plate cash fund - license plate fees. (2) (a) The fees imposed pursuant to subsection (1) of this section ~~shall be~~ ARE limited to the amount necessary to recover the costs of the production and distribution of any license plates, decals, or validating tabs issued pursuant to this article 3, INCLUDING ADDITIONAL PRODUCTION AND DISTRIBUTION RESULTING FROM THE ENACTMENT OF SECTION 42-3-115 (5)(a) BY SENATE BILL 21-069, ENACTED IN 2021, and the related support functions provided to the department of revenue by the division. The correctional industries advisory committee, established pursuant to section 17-24-104 (2), shall annually review and recommend to the director of the division the amounts of the fees to be imposed pursuant to subsection (1) of this section. The director of the division, in cooperation and consultation with the department of revenue and the office of state planning and budgeting, shall annually establish the amounts of the fees imposed pursuant to subsection (1) of this section to recover the division's costs pursuant to this subsection (2).

SECTION 6. Appropriation. (1) For the 2021-22 state fiscal year, \$598,290 is appropriated to the department of revenue for use by the division of motor vehicles. This appropriation consists of \$102,600 General Fund and \$495,690 from the license plate cash fund created in section 42-3-301 (1)(b), C.R.S. To implement this act, the division may use this appropriation as follows:

- (a) \$102,600 from the General Fund for DRIVES maintenance and support; and
- (b) \$495,690 from the license plate cash fund for license plate ordering.

(2) For the 2021-22 state fiscal year, \$256,970 is appropriated to the department of corrections for use by the division of correctional industries. This appropriation is from reappropriated funds received from the department of revenue. To implement this act, the division may use this appropriation as follows:

- (a) \$1,786 for personal services;
- (b) \$40,004 for operating expenses; and
- (c) \$215,180 for raw materials.

SECTION 7. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: July 2, 2021